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TO RUEHC/SECSTATE WASHDC PRIORITY 3910
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RUEHBS/AMEMBASSY BRUSSELS PRIORITY 0448
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 1114
RUEHCP/AMEMBASSY COPENHAGEN PRIORITY 0127
RUEHLP/AMEMBASSY LA PAZ PRIORITY 1849
RUEHPE/AMEMBASSY LIMA PRIORITY 0055
RUEHLI/AMEMBASSY LISBON PRIORITY 1372
RUEHLO/AMEMBASSY LONDON PRIORITY 0495
RUEHMU/AMEMBASSY MANAGUA PRIORITY 1111
RUEHFR/AMEMBASSY PARIS PRIORITY 0406
RUEHQT/AMEMBASSY QUITO PRIORITY 1924
RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 0857
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 3400
RUEHTC/AMEMBASSY THE HAGUE PRIORITY 0897
RUEHAO/AMCONSUL CURACAO PRIORITY 0710
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 0402
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0061
RUEHMI/USOFFICE FRC FT LAUDERDALE PRIORITY 2957
RHEHNSC/NSC WASHDC PRIORITY
RUMIAAA/HQ USSOUTHCOM MIAMI FL PRIORITY
RUEHUB/USINT HAVANA PRIORITY 0609

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000904

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HQSOUTHCOM ALSO FOR POLAD
DEPT PASS TO AID/OTI RPORTER
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COPENHAGEN FOR DLAWTON

E.O. 12958: DECL: 02/10/2016
TAGS: [PGOV](#) [KDEM](#) [VE](#)
SUBJECT: NATIONAL ASSEMBLY PROPOSAL TO REGULATE NGO
ACTIVITIES

Classified By: POLITICAL COUNSELOR ROBERT R. DOWNES FOR 1.4 (D)

Summary

11. (C) The National Assembly's Permanent Committee on Foreign Policy has put forth a proposal to regulate the activities of NGOs within Venezuela. It comes on the heels of another proposal in 2005 which surprised the NGOs, who technically have observer status on the committee. The previous proposal provoked outrage in civil society because it would have strictly forbidden international and domestic financing from NGOs and non-profit entities operating in Venezuela. The current proposal, however, is extremely vague and open to interpretation. Although some in the community see it as a reasonable attempt to monitor NGO activities in the country, many believe this vagueness leaves the door open for a series of regulations that could restrict the actions of NGOs in Venezuela. It is not clear when, or even if the law will be enacted. Until it passes and regulations are issued it will be difficult to predict its impact. However, given the BRV's past actions, it will likely be used for intimidation and manipulation. End Summary.

Surprise Proposal

12. (U) The National Assembly's Permanent Committee on Foreign Policy has put forth a proposal to regulate the activities of NGOs within Venezuela. The proposal is extremely vague in nature and sometimes unclear as to whether

it is referring to bilateral relations between states or interactions between NGOs and private institutions. While much of the proposal appears fairly innocuous, it does outline certain provisions that could be of serious concern to NGOs including: the establishment of a governmental oversight body to regulate and control NGO activities, mandatory registration of non-profit entities and auditing of all financial, labor and donation records, as well as giving unlimited access to these records to any Venezuelan citizen.

New Regulatory Body

¶3. (C) The committee's proposal calls for the creation of a new body which it vaguely calls a &decentralized body for international cooperation.⁸ This body would organize and direct all aspects of international cooperation. The language defining the role of the new body is also vague and makes it unclear as to whether it will actually have authority over the activities of NGOs and non-profit organizations. It will, however, have the authority to require and approve registration of all NGOs operating in the country as well as conduct audits of their financial records and ongoing activities. If it operates in a way similar to how the National Election Committee addresses union elections, it could seriously reduce NGO effectiveness.

Registration

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¶4. (C) Article 17 of the proposal requires that all NGOs and non-profit entities operating in Venezuela, domestic and foreign, will be required to register with this new body. The law does not detail, however, how these organizations will register with the new body nor does it say what the requirements will be to complete the registration. While the registration of NGOs is not an uncommon practice worldwide, some in the NGO community fear this will be used to better track and limit the activities of these groups within the country.

Audits

¶5. (U) In Article 23, the new proposal also calls for mandatory and complete audit by the new body of the organizations, accounting, labor and donation records. Article 22 takes the same theme farther and requires that all NGOs, domestic and foreign, must allow any citizen of Venezuela complete access to information about its &constitution, statutes, ongoing activities, origins, administration and destination of its resources.⁸ Again, the document does not detail how these audits will be conducted.

Previous Proposal

¶6. (U) The current draft comes on the heels of another proposal in 2005, which surprised the NGOs, who technically have observer status on the committee. The previous proposal would have strictly forbidden international and domestic financing from NGOs and non-profit entities operating in Venezuela. The proposal outraged local NGOs who protested that many, if not all, would have to shut their doors if the law were passed. It seemed, at the time, that cooler heads prevailed and the proposal was shelved.

Local NGO Reaction

17. (C) According to Embassy USAID staff, local NGOs are not as concerned with this proposal as they were before. The reason is likely that this proposal details no explicit limitations on NGO activities. Rather, the document outlines quite broadly the various areas in which NGOs should be regulated and establishes an organization to oversee this regulation. In the end, however, the document leaves the details to future regulations to be written in accordance with the law. It is likely that many NGOs are waiting for the passage of this bill and the consequent regulations to make a judgment. At this point it is not clear when, or even if, this proposal will be enacted.

18. (U) In May 2006, USAID and one of its partner organizations will have a forum which will bring together Venezuelan NGOs and international experts to discuss international norms regarding the regulations of donor funding. The objective is for NGOs to come to a common

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understanding of international norms in the context of Venezuela and take steps to developing a joint response and strategy in the event the BRV passes a law that falls outside of these international norms.

Comment

19. (C) In this proposal from the committee, the devil is in the details and this particular law is markedly absent of any details. The fear by some in the community is that the broad scope of the law and the mandate of this new organization will open the door for future regulations that severely limit the operations of NGOs within Venezuela. While we can't be sure that these are forthcoming, the continued prosecution of the NGO Sumate and actions confirm that the BRV is looking to keep civil society under its thumb.
BROWNFIELD